

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

**CALCASIEU PARISH WARD 7 FIRE
PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/24/11

CONTENTS

PAGE

INDEPENDENT AUDITORS' REPORT	3
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds	7
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Notes to Financial Statements	11
SUPPLEMENTAL INFORMATION:	
Per Diem Paid Board Members	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP BASIS) – General Fund	22
Schedule of General Government Expenditures - Budget and Actual (GAAP Basis) - General Fund	23
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i>	24
Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan	26



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
MICHAEL F. CALLOURA
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON-CLARK

MEMBERS OF-
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY
PUBLIC COMPANY
ACCOUNTING OVERSIGHT BOARD
CENTER FOR PUBLIC
COMPANY AUDIT FIRMS

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Calcasieu Parish Ward 7 Fire
Protection District No. 1
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited the accompanying financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of December 31, 2010, and for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

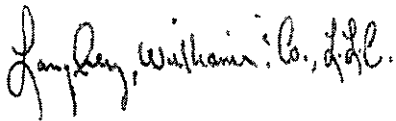
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Ward 7 Fire Protection District No. 1 as of December 31, 2010, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 6, 2011, on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Langley, William B., L.L.C.".

June 6, 2011

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
December 31, 2010

ASSETS

Cash and cash equivalents	\$ 1,971,246
Accounts receivable, net	795,506
Capital assets, net	<u>1,165,017</u>
Total assets	<u>3,931,769</u>

LIABILITIES

Accounts payable	4,710
Accrued liabilities	27,823
Long-term liabilities:	
Bond payable--	
Portion due within one year	95,000
Portion due after one year	<u>220,000</u>
Total liabilities	<u>347,533</u>

NET ASSETS

Investment in capital assets, net of related debt	846,604
Restricted for:	
Debt service	845,065
Unrestricted	<u>1,892,567</u>
Total net assets	<u>\$ 3,584,236</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2010

FUNCTION/PROGRAMS	Expenses	Program Revenues			Governmental Activities - Net (Expenses) Revenues and Changes in Net Assets
		Charges For Services	Operating Grants and Contributions	Capital Grants, and Contributions	
General government	\$ 490,470	\$ -	\$ -	\$ -	\$ (490,470)
Total Government Activities	<u>\$ 490,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(490,470)
Taxes:					
Ad valorem taxes					781,186
State revenue sharing					2,954
Fire tax rebate					11,081
Grants and contributions not restricted to specific purposes:					
Calcasieu Parish Endeavor Grant					12,800
Interest					5,673
Miscellaneous					<u>1,067</u>
					<u>814,761</u>
Total general revenues and special items					
Excess of revenue over expenses					324,291
Net assets - beginning of year					<u>3,259,945</u>
Net assets - end of year					<u>\$ 3,584,236</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
GOVERNMENTAL FUND
BALANCE SHEET
December 31, 2010

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,421,518	\$ 549,728	\$ 1,971,246
Ad valorem tax receivable, net of for doubtful accounts	487,225	304,566	791,791
State revenue sharing receivable	3,048	-	3,048
Accrued interest receivable	667	-	667
Total assets	<u><u>\$ 1,912,458</u></u>	<u><u>\$ 854,294</u></u>	<u><u>\$ 2,766,752</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,710	\$ -	\$ 4,710
Accrued liabilities	416	-	416
Deductions from ad valorem tax receivable: Retirement systems	14,765	9,229	23,994
Total liabilities	19,891	9,229	29,120
Fund balances:			
Reserved for debt service	-	845,065	845,065
Unreserved	1,892,567	-	1,892,567
Total fund balances	<u>1,892,567</u>	<u>845,065</u>	<u>2,737,632</u>
Total liabilities and fund balances	<u><u>\$ 1,912,458</u></u>	<u><u>\$ 854,294</u></u>	<u><u>\$ 2,766,752</u></u>

The accompanying notes are an integral part of this statement.

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS**

December 31, 2010

FUND BALANCE OF GOVERNMENTAL FUNDS		\$ 2,737,632
Total net assets reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Capital assets, net of \$2,048,285 accumulated depreciation		1,165,017
Long-term liabilities at December 31, 2010		
Bonds payable	\$ (315,000)	
Accrued interest	<u>(3,413)</u>	<u>(318,413)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 3,584,236</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND**

Year Ended December 31, 2010

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Ad valorem taxes	\$ 480,728	\$ 300,458	\$ 781,186
State revenue sharing	2,954	-	2,954
Fire tax rebate	11,081	-	11,081
Grants	12,800	-	12,800
Interest	4,927	746	5,673
Miscellaneous	1,067	-	1,067
Total revenues	<u>513,557</u>	<u>301,204</u>	<u>814,761</u>
EXPENDITURES			
General government	216,951	15,469	232,420
Capital outlay	366,007	-	366,007
Debt service:			
Principal retirement	-	95,000	95,000
Interest	-	15,695	15,695
Total expenditures	<u>582,958</u>	<u>126,164</u>	<u>709,122</u>
Transfers in (out)	327,837	(327,837)	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	258,436	(152,797)	105,639
FUND BALANCES, BEGINNING OF YEAR	<u>1,634,131</u>	<u>997,862</u>	<u>2,631,993</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,892,567</u>	<u>\$ 845,065</u>	<u>\$ 2,737,632</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**
Year Ended December 31, 2010

Net change in fund balance -- total governmental funds	\$ 105,639
--	------------

Amount reported for governmental activities in the statement
of activities are different because:

Capital outlays are reported in governmental funds as expenditures.
However, in the Statement of Activities, the cost of those assets
is allocated over their estimated useful lives as depreciation expense.
This is the amount by which depreciation exceeds capital outlays in
the period:

Depreciation expense	\$ (243,377)	
Capital outlays	<u>366,007</u>	122,630

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	95,000
---	--------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	<u>1,021</u>
--	--------------

Change in net assets of governmental activities	<u><u>\$ 324,290</u></u>
---	--------------------------

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Calcasieu Parish Ward 7 Fire Protection District No. 1 (District) was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the people of Ward 7 of Calcasieu Parish. The district is governed by a board of five commissioners appointed by the Calcasieu Parish Police Jury.

Basis of Presentation

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the District was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

Basic Financial Statements – Government-Wide Statements

The District's financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's net assets are reported in three parts – invested in capital assets (net of related debt), restricted for debt service and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. The net cost (by function) is normally covered by general revenues.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Fund Financial Statements (Continued)

The District uses the following fund types:

- a. General fund is the general operating funds of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Capital projects fund is used to account for financial resources to be used in the acquisition or construction of major capital facilities and equipment.
- c. Debt service fund accounts for transactions relating to resources retained and used for the payment of principal and interest on the long-term obligations of the District.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. All three of the District's governmental funds are considered major funds.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Government-wide Financial Statements:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the District consist principally of property taxes, other intergovernmental revenues, donations, and interest income. Property taxes are billed and generally collected within the fiscal year in which the taxes are levied. Interest income is recorded when earned. Donations and other intergovernmental revenues are recorded when received in cash because they are generally not measurable until actually received.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

2. Fund Financial Statements:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenue is recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is the principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Accounts Receivable

Accounts receivable as of December 31, 2010 consists of \$811,665 of ad valorem taxes. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for uncollectible accounts at December 31, 2010, was \$16,159.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and building improvements	15 – 50 years
Equipment	5 – 20 years

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

Long-term obligations are reported as liabilities in the government-wide statements. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as fund liability of a governmental fund.

Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2010, the District had cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 566,025
Time deposits	<u>1,405,221</u>
Total	<u>\$ 1,971,246</u>

Those deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2010, the District had \$1,971,344 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$1,999,451 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - AD VALOREM TAXES

For the year ended December 31, 2010, taxes of 16.25 mills were levied on property with assessed valuations totaling approximately \$48,351,645 dedicated as follows:

Maintenance	10.00 mills
Bond Sinking	6.25 mills

Total taxes levied were \$783,981.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

During the year, the tax assessor made adjustments to previous year taxpayer valuations and wrote off a total of \$11,777 worth of taxes. This amount was net against current year ad valorem taxes along with \$4,690 worth of prior year tax refunds.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2010, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets:				
Land	\$ 3,931	\$ -	\$ -	\$ 3,931
Building	523,380	-	-	523,380
Building improvements	113,368	-	-	113,368
Equipment	2,206,615	366,008	-	2,572,623
Total capital assets	2,847,294	366,008	-	3,213,302
Less accumulated depreciation				
Building	(216,774)	(10,760)	-	(227,534)
Building improvements	(103,903)	(948)	-	(104,851)
Equipment	(1,484,232)	(231,670)	-	(1,715,902)
Total accumulated depreciation	(1,804,909)	(243,377)	-	(2,048,286)
Total capital assets, net	\$ 1,042,385	\$ 122,630	\$ -	\$ 1,165,015

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities totaling \$32,533 as of December 31, 2010 consisted of the following:

Accounts payable	\$ 4,710
Accrued interest	3,413
Deduction from ad volorem retirement systems	9,229
Payroll taxes payable	416
Pension deduction (mt#1)	14,765
Total	<u>\$ 32,533</u>

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM DEBT

The following is a summary of bond transactions of the District for the year ended December 31, 2010:

Payable January 1, 2010	\$ 410,000
Retired	95,000
Payable December 31, 2010	<u>\$ 315,000</u>

Bonds payable at December 31, 2010, is comprised of the following issue:

\$1,125,000 general obligation bonds dated March 1, 1998;
due in annual installments of \$40,000 to \$110,000 through
March 1, 2013; plus interest at 8.00% to 4.35% due semiannually
on March 1 and September 1 beginning September 1, 1998;
secured by levy and collection of ad valorem taxes \$ 315,000

The annual requirements to amortize all debts outstanding as of December 31, 2010, are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 100,000	\$ 11,503	\$ 111,503
2012	105,000	7,069	112,069
2013	110,000	2,393	112,393
	<u>\$ 315,000</u>	<u>\$ 20,965</u>	<u>\$ 335,965</u>

NOTE 7 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

The District uses the following budget practices:

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at year end.

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

The proposed budget is presented to the District's Board of Commissioner for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Excess of expenditures over appropriations

For the year ended December 31, 2010, expenditures exceeded appropriations in the Governmental Fund by \$138, 959. These expenditures were funded by greater than anticipated revenues in the fund and available fund balance in the fund.

NOTE 8 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date that the financial statements were available to be issued, June 8, 2011, and determined that no events occurred that required recording or disclosure in the financial statements for the year ended December 31, 2010.

SUPPLEMENTAL INFORMATION

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY
December 31, 2010
PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to commissioners was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

As provided by Louisiana Revised Statute 40:1498, each commissioner received \$30 per diem for attending regular monthly meetings and special meetings.

	<u>2010</u>
Guy Renfrow	\$ 720
Steve Smith	720
Jerry Nichols	720
Raymond Kelly, Sr	300
Kent Ledoux	<u>720</u>
	<u><u>\$ 3,180</u></u>

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2010

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 380,000	\$ 413,000	\$ 480,728	\$ 67,728
State revenue sharing	3,100	3,100	2,954	(146)
Fire tax rebate	11,000	10,000	11,081	1,081
Grants	25,000	13,800	12,800	(1,000)
Interest	11,000	4,100	4,927	827
Miscellaneous	-	-	1,067	1,067
Total revenues	430,100	444,000	513,557	69,557
EXPENDITURES				
General government	190,100	235,400	216,951	18,449
Capital outlay	240,000	208,600	366,007	(157,407)
Total expenditures	430,100	444,000	582,958	(138,958)
Transfers in (out)	-	-	327,837	327,837
EXCESS OF EXPENDITURES OVER REVENUES	-	-	258,436	258,436
FUND BALANCE, BEGINNING OF YEAR	1,634,131	1,634,131	1,634,131	-
FUND BALANCE, END OF YEAR	\$ 1,634,131	\$ 1,634,131	\$ 1,892,567	\$ 258,436

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY

SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES - BUDGET
AND ACTUAL (GAAP BUDGETARY BASIS) - GENERAL FUND
Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Accounting	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Bad debt	1,500	1,500	8,167	(6,667)
Deductions from ad valorem taxes - retirement	8,500	10,000	14,765	(4,765)
Firemen's fee	30,000	43,200	43,202	(2)
Fuel	7,000	5,600	5,827	(227)
Insurance	40,000	43,300	43,908	(608)
Maintenance and repairs	3,000	8,500	14,287	(5,787)
Office	5,000	5,000	5,417	(417)
Service	14,000	16,000	17,185	(1,185)
Payroll taxes	1,500	1,500	1,550	(50)
Per diem paid commissioners	3,400	3,400	3,180	220
Salaries	20,000	20,000	20,088	(88)
Supplies - operating	40,000	62,000	23,514	38,486
Supplies - housekeeping	1,200	400	187	213
Utilities and telephone	12,000	12,000	12,278	(278)
Total general governmental expenditures	<u>\$ 190,100</u>	<u>\$ 235,400</u>	<u>\$ 216,555</u>	<u>\$ 18,845</u>

The accompanying notes are an integral part of this statement.



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANOLEY, JR.
DANNY L. WILLIAMS
MICHAEL F. CALLOURA
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON-CLARK

MEMBERS OF -
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY
PUBLIC COMPANY
ACCOUNTING OVERSIGHT BOARD
CENTER FOR PUBLIC
COMPANY AUDIT FIRMS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Calcasieu Parish Ward 7 Fire Protection District No. 1
Calcasieu Parish Police Jury
Vinton, Louisiana

We have audited the basic financial statements of the Calcasieu Parish Ward 7 Fire Protection District No. 1, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 6, 2011. We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of current and prior audit findings and corrective action plan that we consider to be significant deficiencies in internal

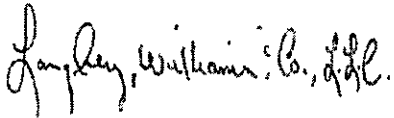
control over financial reporting. We consider items 10-01(IC) and 10-02(IC) to be significant deficiencies. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as item 10-01(C).

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Calcasieu Parish Ward 7 Fire Protection District No. 1's management, the Board of Commissioners, the Calcasieu Parish Police Jury and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Handwritten signature of J. Anthony Williams, Jr., CPA. The signature is written in cursive and includes the initials "JAW" and "CPA".

June 6, 2011

**CALCASIEU PARISH WARD 7 FIRE PIRECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**SUMMARY SCHEDULE OF CURRENT AND PRIOR
YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
Year Ended December 31, 2010**

Section I - Summary of Audit Results

Financial Statements

Type of auditors' report issued	Unqualified
---------------------------------	-------------

Internal control over financial reporting:

- | | |
|--|-----|
| • Significant deficiencies identified? | Yes |
| • Significant deficiencies identified that are not considered to be material weaknesses? | No |

Noncompliance material to financial statements noted?	Yes
---	-----

**CALCASIEU PARISH WARD 7 FIRE PROTECTION DISTRICT NO. 1
CALCASIEU PARISH POLICE JURY**

**SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN**

For the Year Ended December 31, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current year (12/31/2010)						
Internal Control:						
10-01 (IC)	Unknown	Calcasieu Parish Ward 7 Fire Protection District No. 1 did not have adequate segregation of duties within the accounting system.	No	The District's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	John Henderson	NA
10-02 (IC)	2007	Calcasieu Parish Ward 7 Fire Protection District No. 1 does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District's management has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with (GAAP) and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	John Henderson	NA
Compliance:						
10-01 (C)		For the year ended December 31, 2010, actual expenses exceeded budgeted expenses by more than 5%. State law requires that actual revenue and expenditures fall within 5% of budget.	Yes	Monitor budget process carefully to account for the differences between budget and actual	John Henderson	Done

Prior year (12/31/2009)

Internal Control:

Same as current year.

Compliance:

There were no matters involving compliance to be reported.